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The contents of the NATIONAL MUNICIPAL REVIEW are indexed in the *Engineering Index Service*, the *Index to Legal Periodicals*, the *International Index to Periodicals* and in *Public Affairs Information Service*.

The League's Business

League Personalities in New Activities

Howard P. Jones, secretary of the National Municipal League since 1933, and a member of the League staff since 1929, has been appointed Deputy State Comptroller of New York in charge of the augmented Division of Municipal Affairs. The appointment was made by Frank C. Moore, newly-elected State Comptroller in the Dewey administration. Mr. Jones, who has had long experience with municipal finance problems in connection with the preparation of the League's model fiscal laws, as research director for the New York State Commission for the Revision of the Tax Laws, as lecturer at the American Institute of Banking, professor at Columbia University, and in other capacities, has resigned from the New York State Civil Service Commission, a post he has held since 1939.

John N. Edy, honorary vice-president and former member of the Council of the League, has been appointed the first city manager of Houston, Texas, which began operation under the council-manager form of government January 1. Mr. Edy, who resigned as assistant commissioner for administration of the Federal Housing Authority to accept the Houston position, had previously served as city manager of Dallas, Berkeley, and Toledo.

E. N. Thompson, the League's assistant secretary, is serving as a member of the Conference Committee on Urban Problems, called by the Chamber of Commerce of the United States to consider postwar problems of our cities. On the Committee are representatives of a cross section of non-governmental groups in the civic, professional, business, and labor fields. It will work as a clearing house to stimulate and encourage responsible organizations in local communities.

League Loses Three Prominent Leaders

Frank L. Polk, distinguished statesman, lawyer, and former president of the National Municipal League, died on February 7 at his home in New York City. Mr. Polk was president of the League and chairman of the League's Council from 1923 to 1927. During his long career of public service he had been Undersecretary of State in the cabinet of President Woodrow Wilson, a member of the Board of Education and the Municipal Civil Service Commission of New York City, in addition to carrying many other responsibilities. He was actively engaged in his law practice until a week before his death at seventy-one.

A. Lawrence Lowell, president emeritus of Harvard University and author of many books on government and politics, died January 6, 1943, at Boston, Massachusetts. Dr. Lowell was long associated with the League, serving at various times as a member of the Council and as a vice-president.

Horace D. Taft, founder and for forty-six years headmaster of the Taft School for Boys at Watertown, Connecticut, died January 29 at the age of eighty-one. Like other members of his family, he was actively interested in governmental improvement problems. He was a member of the National Municipal League and from 1936 to 1939 was president of the Connecticut Merit System Association.

National Municipal Review

Editorial Comment

Pay As You Go in City Taxes

DURING the current scramble for the taxpayer's money it would be provident for cities which have not already done so to consider the advisability of placing their own taxpayers on some kind of pay-as-you-go basis.

Payrolls and other municipal obligations are met constantly during the year, once a month or oftener. It would be much more convenient for both governments and taxpayers if municipal income were spaced at similar intervals. It should be as easy for cities as it is for public utilities to submit their bills once a month.

Many smartly run cities have long since provided for the payment of real estate taxes in two, four, six and even twelve installments. The trend

has been in that direction for some years. It should be hastened.

Although tax delinquency has been decreasing, it is quite possible that this situation might undergo a change for the worse because of greatly increased federal taxes withheld at frequent intervals at the source of income. An entire generation has been educated away from the idea of saving in anticipation of major purchases and obligations and has become accustomed to the installment plan. The old custom of paying real property and other local taxes once a year is based on nothing but habit. Our cities, as well as the federal government, must be kept in sound condition for they are the homes and custodians of our vast industrial system.

Why the People Don't Trust Politicians

THE lower house of the Indiana legislature recently voted down the proposal to submit to the people a constitutional amendment which would give cities an opportunity to modernize their governments.¹

Clearly there was sinister and cynical politics at the heart of this move. Two years ago the same house voted unanimously to submit the amendment. This fact probably tended to disarm the strong citizen groups such as the Junior Chamber of Commerce and the League of Women Voters

which were leading the home rule fight.

The crux of the matter is that two consecutive legislatures must approve before an amendment may be submitted to the people. So now the good government forces must start all over again.

As the *Post-Tribune* of Gary, Indiana, remarked editorially, "Pressure by 'practical politicians' is the only possible answer." The "practical politicians" were the organized mayors of the state, many of whom were in a position to crack the whip.

¹See also p. 149.

over representatives from their areas. It is worthy of note, however, that some Indiana mayors clung to their independence and refused to go along with the trick.

The quality of the oratory with which the assassins of the resolution sought to justify their act was illuminating, although not in the way those who spouted it intended. The measure was described by one as a "damnable thing, born in sin and raised in iniquity." He said: "It attacks the vitals of our democratic constitution. It is anything but home rule. A city manager would be just a front man for some sinister group."

If he is right, then the constitutions of the large majority of our states are in rather bad shape and the 572 cities now using the council-manager form of government, most of them

with notable success, are simply fooling themselves.

The obvious truth, of course, is that the politicians have sabotaged a simple proposition to permit each city to decide for itself what form of government it wants. The politicians are afraid of losing their hold on the situation. And well they might be, for they can remember that it was Indianapolis, their state's principal city, which adopted the council-manager plan by the record majority of six to one, only to have its victory nullified by court action.

Now the test will lie in whether the good government forces will follow through with a campaign to defeat the legislators who did this thing, and who presumably will be difficult to defeat because their recent action has won them the support of their local political leaders, the mayors.

By Way of Contrast

FORTUNATELY there are places where political leadership is very different from the Indiana type. Governor Harold E. Stassen of Minnesota recently served notice on Minneapolis that it could strengthen its plea for increased state aid for education and welfare if it would modernize its administrative organization

by adopting the council-manager plan. The *Minneapolis Star-Journal*, in supporting the Governor's position, doubts that any legislature will grant the increases asked unless the city acts to "clear up the whole financial and governmental morass into which years of archaic and decentralized administration have led us."

My Life As a Spy

True confessions of an "administrative analyst" in a large federal agency.

ANONYMOUS

PUBLIC administration has lately looked with increasing favor on an amiable institution known as the "administrative analyst." The theory is that a bright young hopeful with a good background in public administration and government is the ideal instrument for making procedural surveys which will aid the busy administrator in increasing efficiency in his own "shop."

The administrative analyst, so the classificationists believe, can see the forest better than the executive who is surrounded by the trees. Armed with a tool kit full of principles of public administration, he is supposed to represent himself to subadministrators as a kind of roving handyman who will be glad to help find procedural leaks and make recommendations for the patching thereof. Everything is to be on the friendliest basis possible, runs the theory, and the advent of the analyst is to be welcomed by the administrator as a means of helping him do the job better.

How optimistic is this theory! Its only flaw is its omission of that little feature known as the human element. I know. I am an administrative analyst.

The agency for whose interests I strive from 8:30 to 5, not including Sundays, is some two hundred strong, a young giant which has recently grown up from a dwarf of sixty due to a liberal infusion of wartime hor-

mones. I was brought in by a man who was himself brought in by the Washington central office to act as broom in the great reorganization. My chief job, I was told on my auspicious first day, was to help effect the transition from littleness to bigness. Just as the small town grown suddenly to a great community from an influx of war workers must discard informality and handwritten records and turn to machine bookkeeping and mechanized procedures, so my agency had to be assisted in a similar transition.

My first assignment was a survey of a division of the agency whose complaint was overloading and under-staffing. From the outset the division head was opposed to my injection into his overworked little family. Perversely he rejected the explanation that I was to "help" him overcome the problem of his large work load. I was an outsider, it was clear from his stubborn expression. He tolerated me, but that was all.

My investigation cheered me considerably. It was obvious that the understaffing was simply illusion. Certainly there was plenty of work, but it could be handled, given the tonic of more logical division of the work load. Gleefully I ticked off the violated public administration principles on my mental check list. No specialization of labor. No filing system. No check on output. Un-

economical use of personnel. Illogical use of space. The textbooks could have used the place as an example of how not to do. Compassionately, I descended upon the division head and told him—with real tact, I maintain!—how he could keep his staff from working till midnight and still do the job.

I waited for congratulations.

But the human being I was dealing with was, unfortunately, a human being. "Young lady," he said, "I have been in this business for twenty years."

That was the gist of his rebuttal. It was clear that, in his mind, principles of public administration be damned. It's seniority that counts.

My boss got the story and was comforting. "Never fear," he said, in effect, "your recommendations will percolate in his mind and then he'll adopt them as his own ideas."

A week later there was, indeed, a phenomenal increase in the output in the accounts division. The Big Chief heard about it and was on the point of putting a laurel wreath on the proud head of the administrative analyst. The only trouble is that the administrative analyst's head is more bloody than proud. Privately, I know that my study had precious little to do with the improvement. It was simply a case of working till 2 A.M. instead of midnight!

My next great venture was into the lair of the professionals, that proud group who boasted of eating red tape for breakfast, lunch, and dinner. Prima donnas all, their approach to their work was as the musician to his art—it was practically

mystic. I found, paradoxically, that these demons for getting things done had wound themselves up in a net of signatures. Papers were passed from one to the other and solemnly and meaninglessly initialed. No document emerged from the sancta sanctoria until it was dog-eared from the trip and as thoroughly surnamed as a schoolboy's slicker.

They Don't Want Freedom

I was jubilant with the discovery. How they must hate all this signing, I said to myself. I shall be as Lincoln and the slaves: I shall free them!

Free them! Such a howl arose as could be heard almost to the White House. The great artists' prerogatives had been threatened! They were being denied access to valuable papers. Things were being kept from them. It was practically a conspiracy to keep them from knowing what was going on.

Their signatures were restored. Some day one of them is going to sign his own dismissal papers. He will not know the difference. There is a legend that one of them once signed a tissue copy of Lewis Carroll's "Jabberwocky."

My next adventure was with the labor problem. Stenographers were not to be had, and some divisions were crying for assistance. Why not make a survey, ferret out those spots where, inevitably, the girls were not as overloaded as they might be, and institute a share-the-work program? Surely no man would want to have idle stenographers around.

The search was, once again, highly fruitful. I uncovered a veritable literary guild in one office. The steno-

graphers were keeping themselves well up on world affairs and the latest novels during the many intervals when their bosses were closeted with long distance telephones or with earth-shaking conferences.

I need hardly add that there has been no improvement in the situation. I met that good old factor, pride of office. What man would admit that he couldn't keep one, nay, two or three girls busy all the time? It was a veritable challenge to his administrative ability! The literary guild remained undisturbed.

Lebensraum was the next subject which called itself to my analytical attention. Take a building with non-elastic walls—the rubber shortage, you know—and a procession of eager new employees forming longer lines into the elevators every day and you have what is known in administrative or any other parlance as a space problem. It did not take the howls long to percolate into my superior's realm and he dispatched me and my principles to solve the problem equitably and scientifically. Alas! A logical arrangement on paper was a matter of hair-pulling and black eyes in practice. So-and-so couldn't share an office with thus-and-who because thus-and-who had B.O. Miss X refused to sit near Miss Y, be it ever so logically sound, because Miss Y was a CAF-2 and Miss X a lordly CAF-4. And as for Mr. Zilch! Never mind that draughty vacant expanse in his impressively private office. "I have *confidential* sessions in here," he announced impressively. To put a stenographer into some of that emptiness was tantamount to jeopar-

dizing the war effort.

We finally moved an office boy from one side of a room to the other and called the space problem settled.

Vindication at Last

My tale is not all bitterness. No, not even the knowledge that my nickname in the vineyards where I labor is Miss Snooperviser. For science's sweet sake, I can take it. For one day I knew I had achieved the great goal of all womanhood, and knew at last that it was All Worthwhile. It happened in this manner. One of the subadministrators on my professional calling list had a lapse of pride of office one day, and went so far as to tell me his troubles. It seemed that he needed a professional assistant at a grade low enough to be consonant with a shrunken personal services budget. Unfortunately, the labor market in the outside world had anything but shrunken budgets. No one was to be had except at double the figure my friend was ready to pay. What to do?

I had a wonderful idea. In the course of my snoopervising activities, I had run across a girl with excellent technical background who had, force of circumstances, accepted a stenographic job. Wouldn't she do? She'd come cheap.

I met my subadministrator the next day. "Did I tell you *my* idea?" he enthused. "Remember Miss So-and-so? Why not use her? She'd come cheap!"

I congratulated the man for his acuity. Then I went home, looked into the bathroom mirror, and congratulated myself. I am now a Power Behind A Throne. Hallelujah!

Rent Control Stands Test

Despite hasty formulation, federal restrictions stop inflationary trends and prevent estimated billion-dollar increase in 1943 rent bills.

By DOROTHY ROSENMAN

Chairman, National Committee on the Housing Emergency

RENT control is working. Rents are no longer spiraling. The lid has been clamped upon the rent source of inflation—no mean source, for rent is the second largest item in the family budget. Rents are being stabilized, frozen as of a given date. Therefore the in-migrant war worker and the permanent resident are being protected from unconscionable rent rise and eviction. Three hundred million dollars have been cut from the 1942 rent rolls. It is estimated that a billion will be kept from being added in 1943.

When Congress enacted the Price Control Act on May 18, 1942, rents were already skyrocketing in many parts of the country. It was therefore necessary for OPA to get under way at the drop of the Congressional hat. Paul A. Porter, Deputy Administrator in Charge of Rent, was given the job of building the boat and sailing it at the same time. Working against time, he launched it fast, building up administrative machinery as he put rent control into active operation. He is first to admit that errors were made, errors attributable to the speed required.

There are many complaints against the administration of rent control. When analyzed some of them vanish into thin air; others have merit and should be corrected; others have merit but cannot be corrected because they spring from injustices which

must be borne by the few for the good of the many. Fortunately, those with merit can be corrected now that the period of gestation is over and the administrative personnel can catch its breath.

Without merit are the complaints and contentions voiced by an organized minority that rent control registration forms are too complicated, that a uniform freezing date should have been set, that regulations regarding eviction are too drastic, that regulations regarding sale are too drastic, that there is no adequate machinery for raising rents where they are too low. Proof that these contentions are not shared by a majority of our people is the fact that many millions of property owners are complying with rent control without a whimper, and violations are comparatively few.

Rent control registration forms, unlike many OPA blanks, are simple. None of the questions is difficult to answer, and there are not too many questions. The task of filling out rent control forms is not too burdensome for the individual landlord who owns a few houses. It is burdensome, of course, for the real estate management firm that operates hundreds of homes or scores of apartment houses. Added to the paper work already imposed upon their war-depleted staffs in filling out social

security and various tax forms, it is a chore.

Registration a Protection

Every landlord in an area under federal rent control must file an official registration statement with the area rent office covering all dwelling quarters for which rent is collected. This is filed in triplicate. One copy goes to the tenant so that he is informed and can check the landlord's facts, one is filed in the regional office, and the landlord retains one. Thus registration protects the landlord by making the maximum rent and minimum services a matter of official record so that he may not be harassed in the future by unjustified complaints; it protects the honest and scrupulous landlord from unfair competition from a possible minority seeking to take advantage of emergency conditions; it protects the tenant by giving him a clear statement of the services he is entitled to receive and the maximum rent he is obliged to pay; in any future change of tenancy it provides the new tenant with the necessary information as to the maximum rent and the minimum services applicable to the particular dwelling unit; it permits the area rent director to refer to a written statement of facts made at the time when the facts were not in dispute; it provides an accurate picture of the general rental market and furnishes a valuable basis for the determination of comparable rents.

Rent control is being tried in Cincinnati without registration but its effectiveness is doubtful. To be successful rent control is dependent upon registration. Therefore the paper

work burden which is admittedly placed upon the firm managing many properties must be borne.

It is contended that a uniform freezing date should have been set. So far as practicable that was done. In the majority of rent control areas March 1, 1942, stands as the high water mark of rents. In several areas, however, rent spiraling had made such progress before May 18, 1942, that it was necessary to set the freezing date back to the time when the spiraling impact was felt—as early as January 1, 1941, in some cases. Rent control would be high-rent-license if it froze rents at the March 1, 1942, levels in those areas.

It is contended that the ninety-day stay now imposed on residential sales is unnecessary and cantankerous. It is drastic, but a drastic measure was necessary to stop wholesale evictions for improper reasons. Any tenant can still be evicted for any normal offense for which he is evictable in his community in normal times. Rent control was being evaded through whimsical evictions and false sales. Therefore the ninety-day stay was accompanied by another order requiring a one-third down payment to effectuate a sale—another drastic but necessary measure. Thousands of false sales of homes were being made! No deed or other binding documents accompanied the contracts, which were never intended for consummation. Stern measures were necessary. Perhaps, now that the lesson has been brought home, the regulation can be made less spectacular and more in tune with normal procedure which, in ordinary times, re-

quires only a 20 per cent down payment. Certainly the flimsy and often nebulous 10 per cent of wartime FHA Title VI would be an insufficient guarantee of earnest intentions. False sales and bad-faith evictions must be stopped.

Adjustments Can Be Made

It is contended that there is no adequate method of raising rents where they are too low. But the truth is that the landlord has redress if taxes are raised in the area, if costs go up in the area, if he spends money making a major capital improvement, or if there were some unusual circumstances attending the prior leasing. The pinch is felt because the landlord has no redress unless taxes and costs go up in the area. If his particular costs go up, and they are not reflected in the general costs of the area and he has added no capital improvement to his property, he has no redress. Relatively few are harmed by this hardship. The rent control laws of the 1920's proved the utter futility of individual computations. Red tape, confusion, contradictory decisions there served to befuddle rent control administration.

Of course many landlords were in the red before rent control became effective. It is argued that they should have an opportunity to get out of the red. But many landlords *are* out of the red even though they cannot raise rents because they are running at full capacity where there were many vacancies before the war. Over the nation there is a mere trifling percentage of vacancies. Locally you

will find them in particular neighborhoods and price ranges. In Boston, for instance, there are empty mansions in the Beacon Hill section. No single family wants them, and the area is zoned against the use of multiple dwellings, so they cannot be converted to small apartments.

Wartime landlords have another advantage in productive areas. In figuring the income from rented property, 10 per cent is usually allowed for vacancy and collection losses. This can be written down during the war because the population is at work, able to pay its bills. The landlord by picking up that loss is collecting an additional 10 per cent which may increase his net earnings 20 per cent or 40 per cent. He also saves the cost of redecoration every time a tenant would have moved. Tenants stay where they are if they can.

If some landlords are still in the red it may be comforting for them to know that it is not all boom for all the tenants either. Former injustices are frozen as stiffly for them as for the landlord. The underprivileged wonder why rents should be frozen to their disadvantage. For years many of them have paid too high a price for squalid hovels. But there is no redress for them in this law. The complaints of the individual landlord who has no redress and the underprivileged tenant who pays an unjustified rent are merited but uncorrectable at this time.

The complaint that action on appeals for rent adjustments is too long delayed is justified, and should be corrected now that the rush of setting

up shop and getting under way is over.

The rent control administration has often misjudged the amount of staff required, taken on too many people, and neglected to use the large number of volunteers available in most communities. Mr. Porter admits there are too many local offices, and he has just started a consolidation program by telescoping two in Atlanta. He has authorized 23 per cent less personnel in the offices opened in October and November, and 21 per cent less for those opened in December.

Some claims of overstaffing are bloated. Spartanburg, South Carolina, had twenty-two on the OPA rent control staff during the forty-five days allotted to registration, and was left with a permanent staff of eight, which seems a lot for such a little town. Fact is, the eight—which still may be too many—had to cover not only Spartanburg but the three adjoining counties with a 1940 peace population of 192,000, an influx of \$24,000,000 war manufacture, and the establishment of Camp Croft.

OPA has kept its eye on methods of saving staff, even as it is overstaffed. It has experimented in Valdosta, Georgia, using the voluntary local fair rent committee to register all rental units. Into this small community with a county population of 31,000 came Moody Field, upsetting the housing balance. The pressure is not very great. There are few petitions for adjustment, so the local committee has been able to handle

things well with the assistance of some paid clerical help.

Use Fair Rent Committees

The complaint that local participation in rent control administration has not been utilized to its fullest advantage is justified. In recognizing this fact caution must be used to differentiate between those who truly seek local participation and those who are demanding more local participation as a cloak to defeat the rent control process. For there are those who are calling upon local participation with a view to using just those people in the community who would best serve their purpose—to hamstring rent control.

But OPA often completely snubbed the services of the Voluntary Fair Rent Committees that had been established before the enactment of the Federal Price Control Act.

It is true that these voluntary committees had been ineffective because they had no enforcement power. Recognizing their helplessness, they welcomed the broad powers given to OPA to curb inflation and injustice. But they did not wish to be swept into the wastebasket when the proper mechanism for functioning was prepared by Congress. They expected to be made a piece of that mechanism, to aid OPA in enforcement, to aid government in interpreting the needs to the communities, to be a part of government, and not apart from it.

Now that OPA has spread its protecting arm to so many communities it would be well for it to tighten its organization and thereby make it more effective. It is good to know

that already many of its temporary employees used during the registration period have been dropped and that local staffs have been cut nearly one-third. However, it can go further. In many places it can use a skeleton trained, paid staff which could function efficiently with the assistance of volunteers. Those experienced members of the staff who can be spared from established rent control areas can be used to good advantage as OPA sets up new rent control areas—and that it very well must do.

OPA now has time to catch its administrative breath. As it sets up new areas it will save time and gain support by working more closely with the citizens of the communities. These citizens will then discount rent control nuisance value as they recognize that rent control is a cornerstone of price and inflation control.

Many people wonder whether rent control has become a new bureaucratic octopus which will remain with us as a part of government when the war is over. No one knows. But there is opportunity to watch rent control administration, to judge its effectiveness, to adapt any parts of it to the needs of the future, or to reject any parts because of proven

inadaptability. There is opportunity to use this war measure as a laboratory experiment in government's relation to the community. Perhaps the feared octopus will turn out to be a mainstay of strength. Certainly we have never before collated such a body of housing facts. It is good to work in the light instead of the dark.

Preparedness is an overused word, but it still smacks of common sense. Directly after the last war our communities were struck by a greater housing shortage and more rent fireworks than during the war. Lack of normal construction during the war piled up. Returning soldiers scrambled for homes for their families. Rents rose. Unworkable rent laws were rushed onto statute books.

There is opportunity now to eliminate the kinks in the present rent control operation and be prepared to face the future, to face emergencies that will come, to face the facts of this country's housing needs.

A fact that cannot be disputed in reviewing our present needs is that rents would be exorbitant and severe inflationary tendencies would plague us if it were not for the rent control administration.

Two Strikes; Home Run!

Grand Junction, after trying both mayor-council and commission forms of government, finds satisfaction in council-manager plan.

By HAROLD F. McCLELLAND,
St. Louis Governmental Research Institute
and LAURENCE N. WOODWORTH,
Kansas City Civic Research Institute

GRAND Junction, Colorado, is now enjoying its twenty-second year under the city manager plan, after having experienced both the mayor-council and the commission forms of local government.

From its founding in 1881 until 1909 Grand Junction was governed by the traditional mayor and council. At that time the government was probably neither better nor worse than that to be found in the average town of 4,000 population in what might be referred to as one of the frontier sections of the west. There were occasional charges that city government was controlled by two powerful pressure groups operating through a bipartisan machine and a "rotten borough" ward system. At any rate, both parties were formally aligned in opposition to a movement for change, and it was only after an exceedingly bitter campaign that a charter establishing the commission form of government was adopted in 1909.

Commission government was adopted as a reform, but it became apparent by 1920 that it left much to be desired. Divided control and lack of coöperation among the commissioners caused considerable difficulty. Personnel was politically appointed, large bond issues were coming due with no funds available to

meet them, and the city was generally becoming embroiled in financial difficulties.

The movement for a change to council-manager government was inspired by the editor of the local paper and was underwritten by most civic groups within the city. Despite the opposition of incumbent officials, the new form of government was approved in 1921 by a conclusive two-to-one majority vote. A short ballot making the policy-determining council the only elected group established a governmental organization in accordance with the best manager theory.

Almost immediately residents witnessed improvements under the new council-manager plan. Nearly a half-million dollars worth of bonds issued on the water system were refunded on terms more favorable than previous issues, with a corresponding improvement in the credit of the city. There was no longer a complete turnover of personnel after each election. Experienced employees, who knew their jobs were secure as long as they rendered satisfactory service, replaced political appointees.

Grand Junction continued to grow at a steady rate and is now a city of 12,500 population, the largest within a radius of 300 miles. It has attained considerable importance as the center

of a retail trade area with higher per capita retail sales than any other city in Colorado.

During recent years governmental service has continued to improve. No sinking fund bonds have been issued since 1922, and all debts are now serial obligations at interest rates as low as 1.5 per cent. The techniques of management have been developed; departmental reports have improved and public reporting has been instituted; budgeting has been refined, basic cost accounting records started, a highly successful motor equipment fund is in operation, and the government generally is run on a more efficient basis.

In addition to careful financial administration the regular services provided to the citizens are well performed. The police department has recently been reorganized and a system of police records installed which is superior to any other in the state. Park area—contrary to most cities—is in accordance with the standards

established by the National Recreation Association. The newly constructed public library and an active recreational program provide leisure-time occupation for citizens.

In the utility field the city has much of which it may be proud. A new sewage disposal plant was constructed in 1938 and a modern water purification plant was completed in 1939. Adequate care of the city's two cemeteries has been assured by "perpetual care" funds. Last year a grant of \$300,000 secured from the federal government provided the city with a truly modern airport.

Objective standards in so far as they can be applied show Grand Junction is exceedingly well governed; value is received by the citizens for each dollar spent. The most striking indication of the success of the manager plan, however, is the local pride exhibited by residents in the operation of their nonpartisan council-manager government.

Price Control Is Felt by States and Cities

The federal government's economic stabilization program has significance for both the day-to-day operation and for the long range future of state and local governments.

By HERMAN C. LOEFFLER

Assistant Chief, Fiscal Division, Bureau of the Budget

ON THE basis of action taken by Congress and by the Chief Executive last October, economic stabilization has become the law of the land. Developments growing out of this action have important implications for the budgets of every state and municipality in the United States.

This article can only sketch what the economic stabilization program means for state and local finances generally. Those general observations establishing the broad perspective must, of course, be tempered in individual cases by local circumstances.

First, as to expenditures. The economic stabilization program will tend to stabilize the level of state-local expenditures and to facilitate expenditure reductions. Control of the cost of living has already helped indirectly to relieve state and local governments of some of the pressure from their employees for salary increases to compensate for rising prices. Direct controls over wages and salaries will also simplify greatly other problems of governmental units, and reduce somewhat the loss of government personnel to industry. Such losses of staff cannot be entirely avoided; indeed, the wartime shortage of our labor force will surely require some further transfer of man-

power to essential uses, however inconvenient that may prove to be. But with industrial wages and salaries stabilized, there will be somewhat less incentive for individuals to leave state and local employment. More and more they will transfer when they can contribute to the war effort; less and less will the possibility of increased income alone determine their choice.

Likewise important in holding down expenditures is the effect of stabilization on the prices of material and equipment.

During the last two years rising salary and wage rates and rising prices for material and equipment have increased some expenditures of state and local government but the adverse factors have been more than offset by declining unemployment and relief rolls, by the rapid tapering off of construction and reconstruction, by the unavailability of new equipment, and by deferment of expenditures wherever possible. Total expenditures of many units of government have therefore declined.

Now that we have in operation a comprehensive program of economic stabilization, further expenditure reductions may be expected. Even when there is little or no unemployment relief left to reduce and no more

capital outlay projects or other activities which can be postponed, there should be no rise in present expenditure levels so long as needs remain unchanged and inflation is controlled.

Property Values Stabilized

Second, the effect of the stabilization program on state and local revenues. The property tax, the dominant source of local revenue, is affected by the stabilization program in two principal ways—through its effect on property values, and through its effect on tax collections.

By and large, the economic stabilization program implies a ceiling upon property values. War activity has brought a great migration of population, and the rubber shortage has put a greater premium than ever upon property located near public transportation facilities or places of work. Some real estate for which there was little demand two or three years ago finds an easy market today at greatly advanced prices. Other parcels are undergoing a decline in value. Some of these local declines—to the extent that they are occasioned by transportation difficulties—may prove temporary, but the effects of mass population movements may indeed be permanent. Rent ceilings and restrictions upon the sale of real estate are cancelling a great many speculative dreams and expectations. Thousands of retail business establishments may have to close in the next year or two because of inventory shortages or reduced volume of business. Inventory reductions, moreover, will affect total personal property assessment adversely.

These scattered considerations sug-

gest that a successful campaign against inflation may very well mean that the peak of real property values for this particular cycle has been reached. Assessed valuations, however, are notoriously slow to follow market values. It may be that two or three years will elapse before aggregate assessed valuations on real estate stop rising just as during the depression there was a delay until 1935-1936 before they reached their depression low. In that event the effects on taxable values of the stabilization program and of commodity shortages will be delayed.

Collections Good

Meanwhile, property tax collections have reflected wartime prosperity for the average man. Delinquencies have been greatly reduced and collections placed on a current basis in many communities. The stabilization program will undoubtedly slow down the rise of individual incomes through limitation of wage and salary increases and profits but at the same time it will ease the pressure of living costs upon these same incomes. Hence, it will give greater assurance of a margin available for paying property taxes. Although heavily increased federal taxes will absorb part of this margin, by no means all of it will be used up under present and pending legislation. In general there is good reason to expect that the current high level of property tax collection will continue under the stabilization program.

Less optimism is warranted respecting the principal sources of state revenue—which are also an important source of local revenue through

grants and tax-sharing. With total income payments to individuals and corporation profits before taxes continuing to rise, the yields of state taxes upon the incomes of individuals and corporations may be expected to continue their recent advance. The rates of federal taxes upon the same bases are being raised substantially, however, and the deduction of these higher taxes may leave a smaller base for state taxation. Bearing in mind the further effects of the stabilization program upon income increases, the net result may be at least retardation in the rise of state revenues from income taxes and possibly a reduction.

Sales Taxes Shrink

Correspondingly, price ceilings will restrain the rise of revenue from sales taxes to the extent that this rise reflects the result of advancing retail prices. At the same time, the conversion of industry and the consequent curtailment in the volume of goods available for civilians will shrink the base to which sales taxes apply. Because of gasoline rationing, the ban on pleasure driving, and mileage limitation, highway revenues have already dropped off, especially along the eastern seaboard.

All in all, the future of state and local revenues is none too bright. The prospects at this stage of the war are that local property tax revenues will be maintained at a rather stable level but that state income and sales taxes may drop off and that highway revenues will suffer a further drastic decline.

One good feature about the whole future situation will be that revenue declines are not likely to be precipi-

tate or extreme, except in the case of the gasoline tax—and that exceptional case is made easier by the halt in road construction and by reduced travel and limited speeds, which reduce the needed expenditures for current maintenance and traffic regulation.

“Surplus” Funds

Given these probable future developments what financial policies are prudent for state and local governments? As a whole reduction in their revenues is only beginning to appear, whereas reduction in expenditures has largely been made. That is why reports of an apparent “surplus” of revenue have been common recently. It is important to remember, however, that much of this excess of revenue over present expenditures is not real surplus but only a transformation of fixed assets into cash. When we do not replace what we use up, when we consume our capital equipment instead of maintaining it adequately—and that is what the war is compelling us to do—the cash that backs up in the state and local treasuries might properly be viewed as a reserve for capital replacement—a fund to cover depreciation. Many governmental units would have no present excess of revenues over expenditures if they were engaging in the usual amount of maintenance and construction. Some would be incurring new debt instead of paying off old debt. Today’s apparent surplus, therefore, should be considered—and should be held—as a trust fund for the future financing of deferred construction and maintenance.

If the governmental unit has in-

debtors outstanding, the best way to apply the current excess of revenues is in the retirement of the debt. There are ways of doing this even when the obligations are not callable and command a premium in the market. The state of Virginia, for example, has appropriated \$10,000,000 of surplus to its sinking fund, thereby in effect eliminating the entire outstanding debt, some of which will not fall due until 1962.

Funds for Postwar Use

Where the governmental unit has no debt to retire or offset, it still would be provident to accumulate reserve funds for postwar use. Establishment of reserves of cash and credit—provident from the point of view of the local community—would be of utmost benefit to the national war effort. It is a policy that dovetails exactly with the economic stabilization program, for it helps to reduce to manageable proportions the gigantic task of inflation control. Widely adopted by state and local governments, it will help us to win the extremely important economic battle on the domestic front.

The establishment of state and local reserves of cash and credit for postwar public works is also of great moment to those of us who stress the future financial independence of states and cities in order that they may continue to play a vital part in a healthy democratic process. Without such reserves we will be faced again with the dilemma of the last depression when the federal government poured large sums into programs of public works construction, only to have that effort to stimulate

recovery vitiated in part by a contraction of the usual public works activities of the states and cities.

The only protest of moment to such a policy which has come to my ears has been the argument that the building up of reserves by maintaining tax rates merely makes it possible for bad local administrations to benefit by using those reserves built up by good administrations for tax rate manipulation. On this score my major reaction is that we cannot allow the determination of sound policy for a sound democracy to be upset because in a few communities the people elect inefficient or corrupt administrations. Even in such cases, however, local groups may be able to bring successful pressure to have the reserves for postwar public works invested in federal war bonds. A bad administration would probably hesitate to subject itself to the charge that it was unpatriotically attempting to dissipate reserves in order to pay for current expenditures. Parenthetically it should be added that the federal government has made deep cuts in its non-war expenditures over recent years while it has been raising its tax rates to meet the war emergency.

Now Is the Test

It is clear that local government after the war will be weakened or strengthened by its performance during the war. There is no alternative to the conclusion of Viscount Bryce that "the best school of democracy and the best guarantee of its success is the practice of local self-government."

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On the Local Front

Prepared by the Office of Defense Health and Welfare Services
Federal Security Administrator Paul V. McNutt, Director

ZILPHA C. FRANKLIN, Editor

The Maneuver Army Goes to Town

AS PART of the Office of Defense Health and Welfare Services program of community organization for recreation in defense areas, an intensive period of temporary community planning was undertaken during the 1941 and 1942 maneuvers in North and South Carolina, central Tennessee, and in parts of Louisiana.

The 1942 Tennessee fall maneuvers, which began early in September and ended late in October, serve to demonstrate what is done by the recreation representatives of the Office of Defense Health and Welfare Services to aid the Army in combat areas. Scores of communities were organized for service in Tennessee alone. Many were oddly named settlements—Bug Tussel, Fudge Around, Hoodoo, Bell Buckle, Wartrace, Three Cornered Gardens, Pumpkintown—but all came forth with one of the great expressions of neighborliness wartime America has witnessed.

The Governor of Tennessee wrote personally to each mayor apprising them of the maneuvers and requesting that they give the Office of Defense Health and Welfare Services assistance in meeting the problem. The recreation representative asked the mayors to have a schedule of information available and explained the plan of community organization. He then went to each local community and organized a Defense Recreation Committee. Organization proceeded at a rapid-fire clip. Meetings were held at the rate of six or eight a day. Resources were surveyed, programs planned, volunteers organized.

A program of community services and

recreation activities was developed after the recreation representative explained how the influx of soldiers would affect the town and what the needs of the soldiers would be. A survey of existing resources and an appraisal of supplementary needs were made. Assistance that communities could expect from the Office of Defense Health and Welfare Services, the USO, and the WPA was explained. Information on the facilities and programs which the various communities could provide were pooled and summarized in a *Maneuver Recreation Guide*. This was distributed to the Army Special Service Officers and others concerned in the recreation program.

All phases of the work were thoroughly planned. Operating under the direction of each local Maneuver Recreation Committee were subcommittees which had specific responsibilities for mobilizing one part of the job. Responsibility for showers, towels, toilets, drinking water, etc., was turned over to a subcommittee on comforts. A publicity subcommittee was set up to provide for information centers and bulletins of events. This committee was also charged with the interpretation of the program within the communities.

Subcommittees were organized on community facilities to provide lounges, stationery, pens, ink, and magazines. Home and church hospitality subcommittees served as clearing houses for invitations to homes. There was an inventory committee to catalogue the resources of a community that were available for recreation purposes.

A subcommittee on commercial recre-

ation was set up which interpreted the needs of the soldiers to shopkeepers and policed against profiteering. Wherever possible this subcommittee attempted to secure reduction of fees on commercial entertainment.

Subcommittees on activities were set up for athletic and social programs. Every phase of community life was touched and Girl Scouts, Boy Scouts, mending clubs, men's clubs, churches had special tasks allotted them. The recreation representative stayed on the ground during maneuvers with mobile units of the USO, aided the local communities to provide for the men who were off duty.

The facilities of recreation centers were generally adequate to the size of the communities and the needs for service. Centers were housed in antebellum mansions, private club houses, armories, and store buildings. Usual facilities included ample writing tables and chairs, couches, beds, and toilets. Entertainment was provided by radios, juke boxes, victrolas, and pianos. The soldiers wanted telephones, water coolers, soft drink dispensers; these were generally available. Magazines and newspapers were collected and distributed. Game rooms were improvised. Items necessary for shaving and pressing were always on hand. Four centers provided sleeping accommodations, two had ballrooms for formal dances, five had kitchens and service equipment. High school gymnasiums were usually available for special dances arranged for officers and enlisted men.

Showers were the first thing that soldiers looked for when a field problem had been completed and they had entered upon a rest period. In many cases the shower facilities of schools, armories, and clubs were used. In other instances, as in Lebanon, Gallatin, Hartsville, Portland, Watertown, and Carthage, it was necessary to improvise temporary

showers. In Lebanon a garage store room convenient to the soldiers' center was fitted out with twenty-seven plastic showerheads and approximately 15,000 showers per week were provided, with about one-third of the load on weekends. Along with these facilities, laundry service was given prime consideration. Responsibility for this service was delegated to the subcommittee on necessary comforts and arrangements worked out prior to the arrival of the troops.

Water Problems

No maneuver recreation committees were organized in a community unless the recreation representative had assurance that the water supply was approved by the State Health Department. Likewise swimming pools had to be approved before their use by soldiers was recommended. Inspection of all water facilities was requested by the recreation representative.

Ingenuity and initiative prevailed in all actions of the Maneuver Recreation Committee. In Westmoreland, a settlement with a population of four hundred, there was no water supply except that which came from individual wells. A committee was set up whose sole job it was to dip water from the well and supply the amount needed at the Soldiers' Center for shaving, washing, coffee making, and drinking.

Incidents of the hospitality of the people were countless. Over one weekend 5,000 soldiers visited Portland, a town with a population of 1,200. The churches responded by arranging picnic dinners for hundreds. There were affairs where every family brought a large lunch basket filled to the brim with food. Large tables were placed in the church yard and numerous baskets provided a banquet that rivaled the best hotel. The soldiers, just free from a maneuver problem, did ample justice to

it, and when the tables were cleared a program of entertainment was provided.

Townspeople to the Rescue

At 11 o'clock one cold rainy night the Hartsville center learned that a ration truck of an outfit encamped two miles away had not arrived and that the men were hungry. Pots of coffee and hundreds of sandwiches were quickly made and taken to the camp.

A little town with a center "on the square" learned that many times soldiers coming in late could not find food nor lodging. After that, the town watchman directed them to the center where a light burned in the window. The stove gave warmth, a pot of coffee was kept hot on it, sandwiches were ready, and cots and blankets were found in plenty. Few nights passed without visitors. Often notes of thanks were left by grateful soldiers.

One town wanted to offer soldier entertainment. No building was available, so a building was purchased for \$4,200 and used as a lounge!

The Work Projects Administration of Tennessee, acting upon a request made by local communities through the Office of Defense Health and Welfare Services, placed a staff of recreation leaders in the Tennessee Army Maneuvers Area. Personnel were assigned to work in soldier centers which were generally open from nine in the morning until midnight. Three supervisors assisted communities with the planning and execution of special events, decoration, and the supervision of established centers.

Their services were further utilized by a number of towns where full-time recreational personnel was not available.

As in previous maneuvers the USO again responded to help meet the needs in serving the soldiers. The USO was responsible for providing financial assistance, program materials, and in some cases, professional leadership to communities requesting assistance from the Office of Defense Health and Welfare Services. They provided mobile service for service men in the field, bivouac areas, and base camps. In communities the USO worked through the Office of Defense Health and Welfare Services and was subject to the direction of the Maneuver Recreation Committee. In the field, bivouac areas, and base camps, the USO was responsible directly to the Special Services Branch of the Army.

In this dress rehearsal for war, community recreation played a vital role.

PRICE CONTROL IN STATES AND CITIES

(Continued from Page 138)

As Harold Smith recently stated: "This principle of local government must be clearly understood by city, state, and federal officials. Understanding it, they must unite to preserve it, just as they must unite to further the all-out effort at home and abroad."

EDITOR'S NOTE.—Excerpts from address before annual conference of American Municipal Association, Chicago, October 22, 1942.

The Researcher's Digest: March

A researcher's measuring rod for relief; 'high jinks' from Detroit; fourteen years of Houma; Kansas City investigates tax delinquency; western researchers hold a wartime meeting.

How does a research bureau do it? Sidney Detmers, managing director of the **Buffalo Municipal Research Bureau**, answers that question with respect to public welfare administration, a subject which may be of lesser importance at the moment but which may unfortunately again become of great importance after the war. Forehanded research bureaus take heed.

NO DEPARTMENT of government enjoys being put up against a measuring stick by research bureaus. It escapes sometimes by not making sufficiently detailed reports. It sometimes disputes the implications of the measurement figures by claiming that "lots of things are not taken into account," or that "outsiders do not understand." There is some ground for the protest. Even the best management has conditions to meet which cannot well be covered in statistical reports. Yet the taxpayers are entitled to know the results, however they may be explained.

In New York State a great part of public relief is given through local departments of social welfare. The reports of the local department show its expenditure in two parts: (a) Direct, which is the amount paid to recipients of relief or for their use, and (b) Administration, which is the amount spent for the salaries and expenses of the commissioner of welfare and his staff.

The Rule of Thumb

It is the common practice of "outsiders," or even of the welfare departments, to measure their efficiency by computing the ratio between the Direct and the Administration expenditures, and comparing the ratio of one year with that of another. In other words, if it costs twenty-five cents of Admin-

istration to disburse one dollar of Direct in a given year, and only twenty cents in the next year, the latter year is said to show increased economy and efficiency; if the amounts are reversed, economy and efficiency have decreased. The application of this method often results in figures which are wholly misleading in their import.

Usually we have found the welfare department willing to accept the ratios obtained by this method as long as they show no increase—no apparent loss of efficiency. When they do show an increase, the claim is made that by tightening administrative supervision, increasing the cost of Administration, the Direct cost is reduced. This is true within uncertain limits, but it cannot be indefinitely applicable. If it were we would some day arrive at a point at which all expenditures would be for Administration and none for Direct.

It sometimes happens, too, that if an attempt is made by the research bureau to verify the ratios obtained by this method, by reference to comparative case loads, the department refers in general terms to the amount of work it does apart from that on the cases which actually receive relief and which constitute official case loads. Specifically it may mention, when pressed, the number of applicants for relief which after investigation it has rejected, the number of preliminary investigations of those finally admitted to the relief rolls, or later removed therefrom. In such cases the department should be asked for the actual figures. In the checkup of a department recently the record showed that its supplementary work of this sort ran close to 3 per cent of the case load total year after year. We concluded that the comparative case

load was a sound index of the whole comparative amount of work it did.

The rule-of-thumb method, in our opinion, as we shall further explain, is not one which the welfare departments are always ready to accept, and is in its application also open to proper objection from the statistical viewpoint.

The Statistical Data

Any sound analysis of a welfare department in this state must deal with a number of factors which affect the annual money cost of Direct and of Administration. Some of the more outstanding are these:

Categories: The numerical case load total is composed of the sum of the case loads in each of several categories, such as old-age assistance, aid to dependent children, children in institutions, home relief, and the like. In one local welfare department there are nine of these categories. Each of them has its own numerical case load, varying from year to year, and its own average Direct cost per case. In case numbers, as one check-up showed, they differed one from another, ranging from 200 in one category to 25,000 in another in the same year; in average Direct cost per case per annum they varied from \$205 to \$642. It is evident that variations from year to year, in either relative numbers or per case costs, will make the *totals* incomparable unless we take account of the elements which compose them. To illustrate: in a recent instance the reports showed a reduction in total Direct costs between two years as \$6,263,129. A simple analysis showed that the reduction, had the relief rates not been increased, would have been \$6,546,245. The rate increase cost \$283,116.

Administrative Employees: The number of employees used to handle the relief load is another means of checking the Administration cost. It eliminates variations in salary changes as well as variations in the average Direct relief

rates. The number of employees should be computed on a full-year, full-time basis, and all classes of employees included from the commissioner down the line to welfare visitors, clerks, stenographers, and the rest. Results such as this are obtainable, showing either an increase in intensity or supervision, or too many employees:

	1939	1941
Number of employees	1,000	600
Case load, total	36,500	13,500
Cases per employee	36.5	22.5

Other Tests: There are many other tests possible which are useful as general indications of the trend in the department, though none of them, perhaps, as conclusive as the two we have quoted. Some of these others are comparative case load total and by categories, Administration cost per case load, salary cost per case load or per employee, and others which will suggest themselves to the careful student.

The more breakdown that can be given to the totals, the more light will be thrown upon the question of the efficiency and economy of the department in comparative years. Unfortunately no standard is known or officially endorsed by the state as to the right cost of Administration as compared with that of the Direct. Local economic conditions and the capability of the local department affect each year's ratios of all sorts and kinds. To compare the analyzed ratios of one year with those of another seems to be all we can do. But we may not as "researchers" be satisfied with a single ratio of total costs, the rule-of-thumb method.

Big Ones Out of Little Ones

An admirably short, clear, and concise summary of findings and recommendations prefaces a long report by the **Civic Research Institute of Kansas City** on *Personal Property Taxes in*

Kansas City and Jackson County. A bad tax delinquency record prompted the survey, which discovered a disproportionately large number of small personal assessments as one of the chief reasons for the high cost and poor results of collection. Besides raising the minimum assessment for personal property, the Bureau recommends combination of city and county tax assessments and collections as a first requisite, then numerous other smaller changes in procedure.

Food for Thought

Plenty of bite, a lot of meat, high seasoning—a description of Lent Upson's rare little privately printed pamphlets is apt to sound like a swell meal. They are that, and more besides. The casual page-flipper might think that *A Letter From a Dean of Public Administration to His Graduates About How to Graft or Statistical Theory in One Easy Lesson*, both recent emanations from the fertile pen of the director of the Detroit Bureau of Municipal Research, are the *hors d'oeuvres* of government research. Not so. Ironical, occasionally bawdy, sometimes extremely funny they may be, but the style is simply a remarkably effective dressing for a brilliant collection of sound truths.

The "Graft" pamphlet (third in a series which includes, besides the "Statistics" job, the older *Being An Executive and The Tools of Administration*) is divided into seven main sections and numerous subsections according to "A Tentative Classification of Graft": Staple and Fancy Thievery, Larceny by Extortion, Public Buying and Selling at Private Profit—get it? There is so much that is quotable it is almost dangerous to single out one passage. Better select one for yourself. You might also look at the bibliography at the end, which revives the memory of such politically ribald classics as William L.

Riordon's *George Washington Plunkett of Tammany Hall* and Samuel Pepy's *Diary*.

In *Statistical Theory in One Easy Lesson* Dr. Upson, who was apparently bitten by a statistician at some early stage in his life, really bares his claws. While the statistical problems which he uses for illustrative purposes are pleasantly irreverent, his remarks upon the principles are seriously cutting. Since there are many who have also been bitten by statisticians, this should be a popular piece.

Houma

A fairly unusual venture by a research bureau results in a slick paper pamphlet called *Our Home Town, A Municipal Report for the City of Houma to Our Citizens 1928-1941*, prepared by the **Bureau of Government Research of Louisiana State University**. Students did the research under direction of the bureau staff. There are a good many pictures and charts, but the approach is somewhat in the traditional style. Certainly this type of report could be immensely useful as a civics textbook in the local schools.

Researchers

One day of meetings had to suffice for the wartime fifth annual conference of the **Western Governmental Research Association**. Enthusiasm for the meetings was evidenced by the excellent attendance of over a hundred at the Hotel Mayfair in Los Angeles on November 6. Stressed at the meetings were the question of loss of trained governmental personnel, developments in psychological testing for the air corps, problems of forecasting governmental revenue, planning for use of human resources in the postwar world, and planning and research in a nation at war. Professor Edwin A. Cottrell of

(Continued on Page 161)

Contributors in Review

THE heartfelt wail of an eager, sincere, and ambitious public servant may be detected in the offering of **Anonymous** (*My Life as a Spy*). Anonymous went to her present work with a proper background for constructive public service but with a poor one for boondoggling. She was graduated from (censored) and (censored) and also studied at (censored). Prior to her recent ordeal she served as (six sentences censored).

GOVERNMENTAL research has been the chief interest of **Herman C. Loeffler** (*Price Control Is Felt by States and Cities*). Immediately after World War I he joined the staff of the New York City Bureau of Municipal Research, then spent several years in the civic work of the Citizens Union of that city. Deserting New York, he became a senior staff member of the St. Louis Bureau of Municipal Research and in 1933 took charge of the Boston Municipal Research Bureau, serving there for eight years. Since 1941 Mr. Loeffler has been with the U. S. Bureau of the Budget as assistant chief of its fiscal division. His work in the governmental field has been broken only once—by a sojourn in Paris, not long after World War I, where he did disaster relief work, as well as research and writing.

GRAND Junction, Colorado, was the scene of an administrative survey and audit conducted by **Harold F. McClelland** and **Laurence N. Woodworth** (*Two Strikes; Home Run*) during the latter part of 1941. The work was done as part of the curriculum of a professional training program in government management at the University of Denver under the auspices of the Alfred P. Sloan, Jr., Foundation. Mr. McClelland is now a member of the staff of the Governmental Research Institute of St. Louis and Mr. Woodworth is with the Kansas City Civic Research Institute.

REPLACEMENT of our slums and blighted areas with well planned housing at rentals which people can afford has long been the full-time activity and interest of **Dorothy (Mrs. Samuel I.) Rosenman** (*Rent Control Stands Test*). Mrs. Rosenman is chairman of the National Committee on the Housing Emergency, whose nation-wide program calls not only for the housing of workers in war industries but also stresses problems of postwar urban development. Mrs. Rosenman's interest in housing dates back to the 1920's when she became a member of the Housing Committee of the New York Women's City Club. She helped organize the Citizens Housing Council of New York and became a charter member of its Board of Directors; was active in securing a housing amendment at the time of the 1938 New York State Constitutional Convention, as well as subsequent enabling legislation which made New York State the first to adopt a program of state-financed low-rent housing.

News in Review

City, State, and Nation

Edited by H. M. Olmsted

States and Cities Attack Manpower Questions

Governors Seek to Help Direct National Program

HOW to attract and hold competent employees for governmental service is an increasing problem, especially for states and municipalities. Removal of some of the less urgent restrictions heretofore placed around public employment, and positive efforts to draw men and women of ability into public civilian employment, are being accelerated. Restrictions dropped in various jurisdictions include residence requirements, racial and sex discrimination, and unduly rigid qualifications. Among affirmative aids are the speeding up of examination and employment processes, wider scope of recruiting, increased stabilization, and more pay.

Some cities are encouraging overtime work on the part of present salaried employees by providing for additional compensation in the form of overtime pay. For example, Glendale, California, recently wrote provisions for overtime pay at time-and-one-half into an ordinance when no qualified workmen could be secured for its new power plant and men were working twelve-hour shifts. It also applies to other employees. Los Angeles is considering an overtime proposal for firemen, to increase the time on duty, because of the dearth of young and physically fit candidates to replace men now in service.

Overtime with pay is not a new idea with municipal governments: 144 of the 189 cities over 25,000 population reporting in a current survey by the In-

ternational City Managers' Association pay overtime to at least some groups of employees. Of these cities, forty-three compensate all employees for overtime, ten include only employees on a monthly or annual basis, eighty-five those on an hourly or daily basis, and six those paid by the hour, day, or week. A number of the cities, however, compensate for extra hours worked by granting time off instead of overtime pay to monthly or annual-rate employees, which is of no advantage in alleviating a manpower shortage.

Day laborers on city payrolls are going on a monthly or annual salary basis in a growing number of cities, according to the Association. Demand for their services elsewhere at higher wages is contributing to the trend. Milwaukee, which started the move during the depression, with seven hundred employees, has increased the number so that now only fifty laborers in the entire city service still are paid by the hour. Various other cities have placed such labor, or some of it, on a salaried basis. It is reported that this action has resulted in higher quality of workers and lower turnover, and more people are interested in applying for the jobs.

In connection with wages, the New Jersey State Civil Service Commission has recently recommended to Governor Edison that \$1,200 a year be set as the minimum rate of pay for all full-time employees in the classified service and that a 15 per cent pay increase be given all employees earning \$3,000 a year or less, with a bonus for those earning between \$3,000 and \$4,700 yearly. It also suggested that "duration" appointments should be made for work where shortages exist, and that the priority principle of essential work be applied to state departments and agencies to allow shifting of employees to the most essential jobs.

Stabilization

In order to coöperate with the War Manpower Commission's employment stabilization plans, the Detroit Civil Service Commission has adopted special procedures for releasing city employees and for taking on new employees during the war, according to the Civil Service Assembly.

A classified employee leaving the city service for any except military reasons must request a release from the Commission through his department head at least ten days before he wishes to leave the service. Failure to do so is grounds for dismissal in "bad standing," forfeiting of all rights to reinstatement, and barring from any city civil service examination for duration of the war and two years after. It is expected that many employees with training useful in war industries can obtain releases for such work, with the privilege of returning to city employment after the war. It is hoped that the plan will prevent the crippling of service by migrations to highly paid but temporary jobs.

On the other hand, no person will be given a city job whose last employer is an industry or agency covered by the WMC stabilization plan, unless he presents a release from his employer.

Governors and Manpower

At the final session of the general assembly of the Council of State Governments, on January 26 in Baltimore, the report of the manpower committee, headed by Governor Stassen of Minnesota, was unanimously approved. It urged the federal government to accept state and local coöperation in solving war manpower problems. Specific recommendations included adoption of a nation-wide policy of keeping trained farmers on the farms; lengthening the industrial and commercial work week; reducing absenteeism in industry; im-

provement of safety, transportation, and housing; use of men confined in prisons and reformatories, not convicted of crimes of violence; use of governmental employees in peak harvest seasons; transfer of civilian production from areas short of manpower to those with adequate manpower; and utilization of persons on old-age assistance by modifying earnings restrictions.

The council decided on the appointment of a special committee to confer with the federal government for the purpose of better handling of manpower.

Council of State Governments Treats Emergency Problems

Meeting late in January, in Baltimore, the general assembly of the Council of State Governments was attended by twelve governors and several hundred other representatives of the states.

Besides urging state coöperation upon the federal government in connection with the manpower question (see preceding item) the council adopted resolutions authorizing appointment of special committees to confer with federal agencies on any proposals for extending the social security program; to coöperate with federal agencies to protect small business in the war situation; and to study the timberland problem. The state attorneys-general were called on to safeguard states' rights against federal legislation; and federal and state legislation was urged for the purpose of authorizing joint administrative action if a general retail sales tax were to be adopted by Congress.

Reapportionment Proposals in Various States

In Kansas, which has had no state senatorial redistricting for ten years, and where some districts for state rep-

resentatives have not been revamped since 1901, a general legislative redistricting may result from the attempt of Senator B. E. Griffith of Topeka to obtain more equal distribution of voting population in the three districts of Shawnee County, one of which contains nearly four times as many voters as another.

In Michigan reapportionment seems to hinge on the attempt to limit the possible numerical strength of Wayne County (containing Detroit) in the legislature to 25 per cent. A joint resolution to that effect was introduced in January with a hope that it might be submitted to popular vote in April. The proposal would permit an increase for Wayne County in case of general reapportionment, but would hold down its representation in the future.

In New York Governor Dewey has urged reapportionment, and as the legislature is dominated by his own party it is hoped that a long delayed equalization of legislative representation can be achieved.

Tennessee Discards Poll Tax, Adopts Permanent Registration

The poll tax which has been in effect in Tennessee for fifty years was discarded by the legislature on February 1, when the State Senate, by a vote of twenty-two to ten, approved a repealer bill sponsored by Governor Cooper and previously passed by the House of Representatives. The Senate also approved permanent registration, nineteen to thirteen, in slightly different form than as passed by the House. It is hoped that both bills will be tested in the State Supreme Court before the start of registration in August 1944.

The poll tax is still in effect in Alabama, Arkansas, Georgia, Mississippi, South Carolina, Texas and Virginia.¹

¹See "The Poll Tax Stirs Revolt," by

Retirement Systems Cover 62 Per Cent of Public Employees

A study of public retirement systems by the Municipal Finance Officers Association indicates that 62 per cent of federal, state, and local governmental employees are now included in such systems and may thus look forward to old-age incomes.

The study shows that thirty-five states have set up retirement systems for school teachers, at least sixteen operate systems for their employees, and ten allow local governmental participation in state retirement plans. About 75 per cent of all cities of 10,000 or more operate retirement systems for employees although only 17 per cent of the cities cover all employees.

Retirement plans for government employees provide benefits as high or higher than those for private employees under the federal social security act. While the retirement pay is larger for some public employees the amounts paid by them usually are far greater than the 1 per cent contributed by private employees and may run as high as 5 per cent.

New York State Has Lend-Lease Law

Participation of the State of New York in the national war effort was broadened when Governor Thomas E. Dewey on February 2 signed a bill, passed unanimously by the legislature, initiating a "lend-lease" of state facilities to private firms engaged in war production. The new law authorizes the governor to make such facilities available. It legalizes his order of the previous week directing a state barge canal shop at Syracuse to do work on equipment needed to complete a large new oil refinery in the southwest.

Virginius Dabney, NATIONAL MUNICIPAL REVIEW, October 1942.

Council-Manager Plan News

After fostering hopes that it would permit the people of **Indiana** to vote on the proposed constitutional amendment enabling cities to choose their form of government¹ the Indiana House of Representatives on January 25, by a vote of sixty-three to twenty-eight, killed the resolution that would have submitted the amendment to popular vote. The resolution was almost unanimously approved by the legislature two years ago, but required favorable action by the present legislature also.

The amendment had been drafted in 1940 by a special legislative commission in the appointment of which the council-manager plan was emphasized. Neither that nor any other plan was required by the amendment, which was purely permissive. It was supported by the Home Rule League of Indiana, the Junior Chamber of Commerce, the League of Women Voters, the State Federation of Women's Clubs, the Taxpayers' Federation, prominent newspapers, and some public officials including Mayor R. H. Tyndall of Indianapolis and other leaders of the capital district. Indianapolis had voted overwhelmingly for a manager charter a number of years ago, but the law then in effect was held unconstitutional.

Powerful opposition to the amendment developed this year from mayors organized in the Indiana Municipal League. The Cities and Towns Committee of the House of Representatives voted seven to five against the measure after a public hearing on January 18, at which advocates led by Virgil Shepard, chairman of the Home Rule League, presented their arguments, and were opposed by Mayor Vincent Youkey of Crown Point, secretary of the Municipal League, and certain other mayors. On the following day the House by a

vote of sixty-two to thirty-three approved the favorable minority report of the Committee, thus keeping the amendment alive. Six days later, despite the previous approvals of the legislature, the support of the non-political civic groups, and the home rule nature of the amendment, the mayors had their way and the House reversed itself. The amendment was voted down, reconsideration was defeated, and no similar measure can be presented during the present session.

At a hearing before the rules committee of the **New York City** Council on January 29, regarding the resolution of Councilman Louis Cohen for the appointment of a committee to study the manager plan,² Alfred Willoughby, executive secretary of the National Municipal League, endorsed the manager plan, and George H. Hallett, Jr., executive secretary of the Citizens Union, stated that the latter favors the manager plan, but cautioned that such an important proposal should have ample time for study, especially in view of New York's unique problem of five-borough government.

A bill to provide town manager government for **Brunswick, Maine**, subject to local referendum, was placed before the legislature on January 27. It is stated to embody the recommendations of the Brunswick Charter Committee. A council of seven, with staggered terms, would choose the manager. The town clerk, tax collector, and school committee would continue to be elected at the annual town meeting.

In **New Bern, North Carolina**, Alderman T. G. Blow is proposing a charter amendment for the introduction of the manager plan, subject to approval of the General Assembly and a local referendum.

The Citizens' Improvement Commit-

¹See **NATIONAL MUNICIPAL REVIEW**, October 1940, p. 638.

²See **NATIONAL MUNICIPAL REVIEW**, February 1943, p. 115.

tee of **Winder, Georgia**, is advocating the manager plan.

In **Thomasville, Georgia**, a movement for the manager plan is strongly supported by the *Times-Enterprise*.

The voters of **Denison, Texas**, will consider the council-manager plan at the general election in April, as a result of a petition signed by approximately five hundred taxpayers.

Forum discussions in **Hastings, Nebraska**, sponsored by the Chamber of Commerce, have revealed much interest in the possible establishment of the manager plan in that city.

In **Sheridan, Wyoming**, the *Press* is conducting a discussion of the manager plan and is urging a close watch on development of the plan in Laramie, where it was recently adopted.

On January 21 the voters of **Tillamook, Oregon**, turned down by a vote of 136 to 125 an ordinance to provide a city manager, to elect the council at large, and to place the water commission under the council.

In **Burlington, Vermont**, a petition bearing thirty signatures and addressed to the Mayor, asking that a proposal to establish the manager plan be submitted to the voters, was filed on February 1 with the city clerk. John E. Booth, leader of the movement, hoped for an expression of opinion at the March election, while realizing that more time will be needed to formulate the plan in detail. However, the Board of Aldermen, at its meeting on February 5, declined to take action. City Attorney Hopkins stated that it was impossible to get an enabling act through the legislature in time for popular vote in March.

The city commission of **Battle Creek, Michigan**, failed to act on a proposed manager plan, thus preventing a popular vote at the April 5 election. B. E. Godde, candidate for mayor, is advocating the plan and hopes that two

other candidates for the commission, also favorable to the manager idea, will be elected. He expects an intensive educational campaign to be conducted, possibly culminating in a special election.

The International City Managers' Association has determined that five more municipalities qualify for its official list of manager cities and towns: Bridgewater, Crystal and Portage Lake, Maine, which adopted manager government in 1942; Grosse Pointe Park, Michigan, which had operated informally under manager government and adopted the plan by ordinance on December 28, 1942; and Livingston, Texas, which operates under a manager ordinance. On the other hand, Elk City, Oklahoma, where a manager charter was adopted in 1929, has not had a manager since 1938 and has therefore been dropped from the official list. The list now includes 565 municipalities (including twenty-four outside the United States) and seven counties.

Instead of Coquerville, Oregon, recently reported as adopting the manager plan, the correct name of the city is Coquille.

Town-Borough Consolidation for Wallingford, Connecticut

Simplification of government through the consolidation of the town and borough of Wallingford, Connecticut, is provided in House Bill 511, introduced on February 4 in the Connecticut General Assembly. The proposal, which includes a charter drawn by Dr. Thomas H. Reed, carries out recommendations of a recent National Municipal League survey directed by Dr. Reed, and is designed to eliminate duplication of offices and functions and result in more efficient government, while retaining forms traditional to Wallingford.

The bill proposes that the present town meeting and the borough meeting of freemen be replaced by a representative town meeting, comprised of one member for every 150 voters. A board of five selectmen would be elected by the voters, who would also choose the town clerk and tax collector as at present.

The new board of selectmen would replace the present water board, electric board, board of finance, court of burgesses, and the present board of three selectmen. It would appoint a superintendent of operations, with engineering and executive qualifications, to administer the business affairs of the new town government. The comptroller and tax assessor would also be appointive. The regular full-time appointive employees of the town and the borough would be utilized, and a retirement fund is provided for, under a board of one selectman, two appointees of the selectmen, and two employee representatives.

It is provided that this new charter is to be submitted to popular vote at a special election in June.

House Deletes Funds for Postwar Planning

On February 17 the House of Representatives passed the 1944 fiscal supply bill for independent agencies, from which the Appropriations Committee had deleted the funds for the National Resources Planning Board. An amendment to preserve at least a skeleton organization for the planning agency was ruled out of order. President Roosevelt had pointed out that the NRPB had been working especially on a "backlog" of public works to provide jobs and national wealth after the war, and that getting ready for postwar problems now will save billions later through prompt action in stimulating full employment.

Citizen Action

Edited by Elwood N. Thompson

New York State Plans War Goal Discussions

***Civic, Business, Education,
Labor Agencies Cooperating***

IN THE light of recent acute interest in the goals of America and the United Nations in the war, it is hard to recall the state of mind immediately after Pearl Harbor when few people were either interested or willing to discuss the shape of things to come. Discussion of war goals seemed to most people officially involved in civilian and war activity to be an idle and untimely activity. "Let's win the war first," said they with more than a touch of impatience.

Back in people's minds, however, was the realization that we need to do something this time almost completely skipped in 1917 and 1918. That something, of course, is to draft the people's fourteen points so that our emissaries to the councils of the nations will be able to speak for the people they represent. The importance of a strong, clarified public opinion pertains, of course, not only to winning the peace—it is the one sure foundation for wartime morale.

One of the most striking psychological facts about this war is that parades, street hullabaloo, and slogans don't catch on. Whether we recognize it or not, the temper of this war is one of deep-seated questioning. The fighting faith of the American people, like that of the British, Chinese, and Russians, must be built on lucid understanding and high voltage devotion to common aims.

The **New York State War Council** jumped the gun on public opinion by

forming a **Citizen Unity** program on January 1, 1942. The state, superficially at least, was not ready for it, but action was taken on the recommendation of men like Owen D. Young who had lived close to the tragedy of the "peace" after 1918. The New York program survived the first six months with difficulty. It did not fit into the OCD pattern of thought. Local war councils were too busy to give it their time. The mental atmosphere changed dramatically, however, about midsummer. Mr. Willkie helped as did Welles, Wallace, Hoover, Pearl Buck, Stassen, and practically anybody you can mention whose words merit attention.

The Citizen Unity program in New York State has gradually gained acceptance since that point. Its objectives have clarified around two areas: First, the underlying current issues of the war; second, the definition of our war goals.

Plan of Action

Following four effective conferences for leaders attended by 535 state, regional, and local officers of civic, education, labor, war, and other agencies, a plan has begun to mature which New Yorkers feel has tremendous possibilities. In brief, it calls for an educational referendum on war goals.

The plan contains two points. First, it proposes that the main issues which the minds of the citizens must wrestle with be defined. These issues, of course, include the basic questions: What kind of international organization is needed to substitute peaceful means of adjudicating disputes for warlike means? What international measures should be taken to build high living and high wage standards throughout the world and how far will we go in America in supporting these measures? What steps can we take internationally to develop a culture which will nourish the free-

doms on the one hand and human relationships and responsibilities on the other, making it possible for diverse peoples to live in understanding and in peace?

Second, it proposes that these issues, after they are defined by a representative group, should be submitted to some ten thousand clubs, unions, Maccabees, Christian societies, 4-H Clubs, Rotary Clubs, and other groups through an educational referendum. The thinking of the groups would be gathered up and reported to public officers, civic leaders, via the press and radio.

Methods of Education

The technics and practical strategy of carrying out this referendum present a considerable problem. Among the methods available to New York State are the speakers bureaus and other discussion instruments of state and local war councils; agencies such as Rotaries, the Federation of Churches, and the Federation of Women's Clubs that have the desire and the facilities needed to bring these issues before their local units; schools and colleges; local, regional, and state labor agencies; various associations of industries and of business men; extension agencies in the rural field, etc.

The job of promotion and of guidance involved in getting some thousands of local groups to give real thought to these issues would be well-nigh prohibitive in ordinary times. It is our guess, based on some measure of experience, that the epochal significance of these issues at this time and the extraordinary flow of current interest make this project feasible. Something over 1,500 discussions of these issues through forums and radio programs have thus far taken place in upstate New York since January 1, 1942. Measured against the size of New York State this is not significant, but it is a straw indicating

the potentialities of a well organized educational drive.

JOHN W. HERRING
Morale Promotion Supervisor

Office of Civilian Mobilization
New York State War Council

Vermont Poll Picks Basic Public Issues

"Vermont shows the way" has been the editorial heading used during successive years by a metropolitan newspaper editor as he has written about the annual reports of Vermont towns. The improvement of these reports has been due largely to the hearty response of citizens and town officers to the **Vermont State Chamber of Commerce** campaign for modernized reports with an annual town report competition as its spark plug.

The campaign and competition have been successful enough to attract the attention of other states. Massachusetts, Maine, and New Hampshire now conduct campaigns and competitions along the lines of the Vermont experiment, launched ten years ago.

The movement for better town reports has been a detour from the original aim of the Vermont State Chamber of Commerce's Committee on Local Finances and Affairs to concentrate upon a study of town, village, and city finances. Ten years ago, finding that town reports which were supposed to—but then did not—present an attractive and illuminating picture of local finances and affairs, the Committee decided that its first task must be to help improve and modernize the annual reports of towns, villages, and cities. Only thus could financial trends and financial problems be clear, not only to an inquiring committee, but also to the citizens of the towns themselves.

Now that Vermont towns are modernizing their annual reports, so that the reports are revealing and illuminat-

ing, the time has come for the Committee to return to its original intention of concentrating on the financial problems of the towns.

As an initial step it is necessary for the Committee to select basic problems. It must learn what officers and citizens are thinking about, what the Vermont public wants. Accordingly, a special group of business men in close touch with the financial aspects of towns were appealed to for their suggestions as to needs and problems. Then twenty of these suggestions were printed in a referendum which gives officers and citizens an opportunity to tell the Committee what they think about their desirability and practicability. The referendum contains the suggestions briefed in a phrase and printed large, followed by some of the original comments and arguments in small type.

Expressing an Opinion

If the correspondent is busy and hurried, he can just check the items that seem to him most important. If he has more time, he can number the most significant items in what he feels is the order of their importance. If he is disposed to do a valuable service, he can write his reactions in the "What I Think" space allotted under each item. If he is in deadly earnest and cannot restrain himself, he is invited to write the Committee a letter of argument and exposition of his views. A number of invaluable letters have been received.

The two most popular suggestions were "Reduce debt as much as possible" and "Economize on all expenditures."

To the "reduce debt" suggestion 97½ per cent of the referendum voters declared their favorable attitude by checking the item, or by commenting upon it in the "What I Think" space on the sheet, or by indicating its relative importance among the twenty suggestions by giving it a number. Exactly one-half the referendum voters who

numbered the "reduce debt" item designated it as Number 1 in importance.

To the "economize on all expenditures" suggestion 88 per cent of the voters indicated their favorable attitude in some one or all of the three ways, nearly one-half designating the "economize" suggestion as Number 1 or Number 2 in relative importance.

Of the referendum voters, 65 per cent react to the suggestion, "Have a study made to arrange plan and basis for assessments on real and personal property." Apparently they feel the need of improvement and the desirability of study and planning on the part of a commission appointed by the Governor of Vermont. Of those who indicate by number the relative importance of activity in this field, about one-third designate the suggestion as Number 1 or 2.

Comments on this suggestion are distinguished, on the one hand, by more pungent and powerful language and, on the other hand, by more expressions of fear and doubt of success than characterize the comments on any of the other referendum suggestions.

A public relations proposal, "Town officers would enjoy perusal of public laws," calls for the compilation in an inexpensive pamphlet of public laws which regulate and govern town affairs. Although 68 per cent of the referendum voters approve this suggestion as important, there is a significant 5 per cent who say some rather sad things about the citizens and the town officers for whose benefit the publication is proposed. The critics prophesy a document unattractive and probably unread.

Perhaps the way to meet the challenges of these invaluable critics is suggested by the comment of a village officer who says, "Would like something myself, as a village officer, something that is not wholly in legal phrases." If a humane and modernized editorial board of such a publication sheds sweat

and tears in creating summaries and comments and side-headings, then citizen and officer may even "enjoy perusal of public laws."

Manager Plan

The attitude of the majority regarding the "Trend toward adoption of the town manager system" seems to be one of sympathetic interest under certain conditions. The system seems good, if just the right man can be found. It seems good, if the town is large enough. There is a disposition to raise the figure of the grand list¹ suggested in the referendum as the minimum for a manager town from \$10,000 to \$20,000.

While some referendum voters state that the town manager system is not a practicable system for small towns, others suggest that smaller towns might "group under one man."

Through these five suggestions, as well as others, the referendum is proving to be what critics in other states have called it, a thought-provoking device which aids the Vermont State Chamber Committee in getting its bearings.

JAMES P. TAYLOR, *Secretary*
Vermont State Chamber of Commerce

Pittsburgh Groups Cooperate to Publish New Directory

Pittsburgh's new directory of war activities, showing the part the community is playing in the war effort, originally was conceived as a mimeographed sheet and gradually grew into a forty-page booklet. A study of the directory shows what Pittsburgh is doing, as a community, to help win the war.

The writer was delegated to plan for a mimeographed sheet guide to war activities as the Civic Club's contribution to a "Forum of Women and the War."

It did not take long to discover that

¹Roughly 1 per cent of assessed valuation.

nothing less than a directory would adequately describe the community's various war activities and organizations, with addresses, officers, and telephone numbers. It was found that such a directory would fill a long felt need and prevent needless confusion among citizens who wanted to find out where war work was being done and by whom.

The fact that there was no money to print this information proved no obstacle, for a "Tom Sawyer" conference with some active members of the United Smoke Council, which wanted to make a little money, produced a capable chairman who was willing to solicit advertising to pay the printing bill. She was joined in her efforts by an able assistant and by the president and second vice-president of the Civic Club. Advertisers did not have to be coaxed and the printing bill was paid with a nice sum to spare for the work of the United Smoke Council.

The Allegheny County Office of Civilian Defense through its streamlined Citizens Defense Corps and the Citizens Service Corps gave enough information to start the project and only a telephone call was needed to make contacts with additional agencies.

The Red Cross section of the directory, with its fifteen services, would be applicable to any city since it covered in detail the opportunities for service.

Another division of the Directory covers the fourteen national and international war funds. The information on these would be substantially accurate for any city in the United States.

Extremely important to our readers was the explanation of the requirements for enlistment in the WAACS and the WAVES.

Additional items included information on the American Women's Voluntary Services, getting birth certifi-

cates, books, boy and girl activities, classes on celestial navigation, civil service, "dogs for defense," housing, home furnishing, mailings to service men, Memorial Gold Cross Ambulance Corps, military police, to mention only a few. There were a number of short items on training opportunities, transportation, and war-connected facts on houses, gardens, motor cars, telephone service, insurance, and, last but not least, wardrobes.

Just about enough advertising was secured to permit twenty pages of descriptive matter on the left hand page with an equal number of pages on the right for advertising.

Five thousand of these booklets were printed and the edition was immediately exhausted.

H. MARIE DERMITT, *Secretary*
Civic Club of Allegheny County

Roundup—

FOR a good sample of promotion material, see a leaflet issued by the **Oakland (Michigan) Citizens League**, printed in blue and white and entitled "The League is on the job—pitching for you."

At the end of one year of manager government in **Port Huron, Michigan**, the **Citizens League** published in its leaflet, *The Citizen*, a summary of progress made. The article, prepared by the Mayor, lists accomplishments under these headings: departmental reorganization, centralized purchasing, wage increase, civil service, accounting and budget, tax rate, savings, city planning, waterworks, civilian defense, parking.

Early in January the **Chicago City Club** announced the appointment of a Committee on Postwar Planning and Progress, which as its first activity will attempt to get a concrete picture of conditions that will exist after the war. . . . This action brings the City

Club into line with a large number of citizen organizations, both national and local, which are devoting attention to postwar subjects.

At the latest election in **Needham (Mass.)** the **League of Women Voters** distributed "I have voted" tags at the polling places, which met with an enthusiastic response. . . . Here is a simple idea which other organizations interested in stimulating a sense of civic responsibility in the citizenry might take up.

The last page of the December issue of *Montana Taxpayer*, published by the **Montana Taxpayers' Association**, contains some extremely clear pictorial statistics on war finance, including national income, federal taxes, and a comparison in the rise in cost of living during the first and second world wars.

The **Connecticut Public Expenditure Council** issued the first number of *Tax News and Views* on January 12. Its contents included a copy of a letter from Executive Director Carter W. Atkins to Senator Maloney urging action on the Rumml plan and a collection of statements on the plan from Connecticut citizens.

The **New Jersey Taxpayers Association** has published its 1943 platform and program in a colorful pamphlet entitled *The Plan of Action*. Items included range all the way from such details as a change in the fiscal year of the State Highway Department to revision of the state constitution.

The January 1 issue of *The Wisconsin Taxpayer* of the **Wisconsin Taxpayers Alliance** contains information which every citizen of the state should be glad to have assembled in one place for ready reference—the names of the members of Congress from Wisconsin, state officers, members of the Wisconsin Senate and Assembly, and two maps outlining the State Senate and Assembly districts.

R. M. W.

County and Township

Edited by Elwyn A. Mauck

Counties Consider Charter Changes

Manager Plan Urged for Montgomery County, Md.

IN RESPONSE to questions posed by the Charter Board which was elected by the voters of Montgomery County, Maryland, last November, several civic organizations already have gone on record in favor of the manager plan of government. They also favor an independent controller responsible to the county council and adoption of the merit system. All agree that reform in size and method of selecting the county council is essential, but there remain some differences of opinion on details.

Civic organizations endorsing these changes include the Greater Kensington Civic League, the Branview-Sligo Community Association, the Woodside Park Civic Association, and the Parkside Citizens Association.

County Home Rule Revived in Wisconsin

The Wisconsin League of Women Voters has issued a broadside "Why Uniform County Government?" in order to stimulate interest in county home rule. It is attempting to secure repeal of the provision in Wisconsin's 1848 constitution that states, "The legislature shall establish but one system of town and county government which shall be as nearly uniform as practicable" and of the provisions requiring that the sheriff, coroner, register of deeds, district attorney, circuit court clerk, and probate judge be elected.

An optional charter law for counties was passed in 1921, but in 1934, after

two counties had established new systems and others had voted to do so, the Supreme Court held the law to be a violation of the provision quoted above. Thus it appears county home rule can be effected only by constitutional amendment. The amendment process in Wisconsin requires passage by two successive legislatures and adoption by popular ratification.

Manager Plan Suggested for New York Counties

Under date of February 2 the *Watertown, New York, Times* editorializes: "The county manager form of government is entirely likely to gain particular headway in this state. It would not be surprising to see Jefferson County [Watertown] move for the change following the war. . . . Boards of supervisors need county managers to look closely after the affairs of the county, just as a big business must have a general manager in whom is vested responsibility."

City-County Consolidation in Philadelphia

The Philadelphia Bureau of Municipal Research is proposing that a constitutional amendment permitting city-county consolidation in Philadelphia be introduced again in the 1943 legislature. Such an amendment was defeated by state referendum in 1937, although 47 per cent of the votes were cast in favor of the amendment, and in Philadelphia a substantial majority of the voters favored it.

Under the present structure the county continues to exist, although considerable advance in establishing a single city-county government was made in the consolidation act of 1854. However, there still remains an independently-elected sheriff, coroner, register of wills, and recorder of deeds. Complete abolition of the county as a

unit would permit integration of budget control, purchasing, personnel administration, and many other functions now duplicated and in conflict with one another.

Under the Pennsylvania constitution an amendment requires passage by two successive legislatures and approval by the state electorate.

Census Bureau Releases 1941 County Finance Statistics

The United States Bureau of the Census, which issued its first (1940) report on county finance several months ago,¹ now has issued a preliminary edition of the second in the series. *Financial Statistics of Counties: 1941* continues to examine selected large urban counties, but, in addition, summarizes significant county data available from many states. The final edition of this second report will contain detailed schedules for twenty-seven urban counties and selected financial statistics for over two-thirds of the counties.

Comparison of the 1941 gross figures with 1932 data, taken from the decennial census compilation of that year, reveals decreases in property tax levies of 9.5 per cent, gross debt 19.2 per cent, and assessed valuations 13.9 per cent. County expenditures, however, increased. This was made possible by increased state aid which has given counties a major rôle in administration of welfare, health, roads, and schools. By far the largest portion of county funds in the states surveyed was expended for public welfare activities. Next largest, but considerably less than half as great, were expenditures for highway purposes. Then followed, in order of expenditure, general control, debt service, schools, hospitals, protection, health, correction, agriculture, recreation, and miscellaneous.

¹See REVIEW, December 1942, p. 637.

Taxation and Finance
Edited by Wade S. Smith

**Fiscal Home Rule
Urged for
New York City*****Revision of City-State
Relationships Recommended***

NEW YORK CITY is the largest of our municipalities, but its bigness merely accentuates the fact that it shares with other cities certain fiscal problems whose solution is possible only with the coöperation of the state. Foremost among these problems is that of devising an equitable and feasible division of state-local fiscal responsibility.

So far as the cities are concerned, the problem is a dual one. On the one hand, they are dependent on the state for authority to raise sufficient revenues to finance their requirements or for fiscal aid to supplement city revenues. On the other, they must have sufficient control over expenditures to be able to cut the coat to fit the cloth. In the face of property tax rate limitations, restricted sources of locally-collected miscellaneous revenues, state aid of varying degrees of adequacy, and the necessity for making mandatory expenditures over which there is little or no city budgetary control, few cities find themselves in a situation where they can be said to have any great degree of fiscal home rule.

New York City is no exception to the general rule, but recent recommendations by the subcommittee on state-city fiscal relations of the Mayor's Committee on City Finances indicate some of the changes necessary. Major recommendations of the committee, as

reported in the New York City papers, were as follows:

1. An increase in city's taxing power and removal of present expiration dates for such emergency taxes as city sales tax, utilities tax, and gross business tax.

New York City is subject to a 2 per cent tax rate limitation for all purposes other than debt service. The special taxes, authorized by the legislature, are at present the budget-balancing taxes. The committee believes "that there should be delegated to municipalities the right to impose taxes other than real estate taxes, but such taxes must naturally not be of types which conflict with state tax policies."

2. Transfer to the state of certain mandatory expenses, including those for the Transit Commission and various courts.

The Transit Commission, whose function has withered away following unification, was abolished shortly after the recommendation was made. The city continues liable for expenses of the Appellate Division, the Supreme Court (which in New York State is not the court of last resort), the Surrogates' Courts, county courts, and the city court of New York.

3. Change from the present formula of meeting home relief costs, 60 per cent by the city and 40 per cent by the state, to a 50-50 basis.

4. Increasing the city's budgetary control over local courts, over non-teaching, non-supervisory employees of the Board of Education, over Board of Education equipment and supplies, and over the employees of the Board of Elections.

The city has no present control over school budgets, and while the committee does not propose that the city should extend its control to educational employees or functions, it does recommend control to bring non-teaching em-

ployees' salaries into line with those of other city employees and to have school purchases handled by the city's Department of Purchase. As regards employees of the Board of Elections, New York City and Schenectady are the only communities in the state not at present having this control.

5. Stabilization of the city's return from state-collected, locally-shared taxes. The committee recommends that instead of basing the local allocation on state collections, it be in a fixed amount based on population, so as to remove the fluctuations resulting from peaks and valleys in state receipts.

6. Adjustment of the local share of the state gasoline tax. The formula is suggested that the state base the local apportionment on the area of state highways within a city, rather than in terms of the amount of state gas tax receipts. To insure proper maintenance, the committee suggested that the state superintendent of highways have power to withhold funds if the city fails to keep the highways in satisfactory condition.

War Cuts Municipal Borrowing

Any fear that may have been entertained that American cities might maintain "business as usual" in regard to their capital improvement programs during the war has been dispelled by preliminary figures on state and local borrowing during 1942. According to *The Bond Buyer*, new municipal bond issues in 1942 were less than half the 1941 total. For the last ten years, issues were as follows:

1933	\$1,127,576,331	1938	\$1,229,105,539
1934	1,175,333,698	1939	1,098,604,265
1935	1,195,717,486	1940	1,497,683,294
1936	1,156,254,317	1941	1,229,493,072
1937	984,094,835	1942	570,240,728

For January 1943 the total was \$60,-

349,091, as compared with \$118,469,946 a year earlier.

Not only are the local units finding it necessary to borrow much less than normally, but they are also finding it difficult to obtain materials and labor for even "essential" construction. Seattle, which is in need of further additions to its city light and power system, has been attempting for nearly a year now to float a \$7,000,000 bond issue for the construction, only to be repeatedly held up by the uncertainty as to whether necessary materials can be secured or work completed within the estimated cost. Demands on Seattle city light have increased tremendously because of the war boom there.

Another city unable to carry out essential construction is Tulsa, Oklahoma, also a war-boom town. In December 1941 Tulsa sold \$3,833,000 bonds to finance additions to its water and sewer system, fire equipment additions, street improvements, etc. At June 30, 1942, only \$476,935 of the bond money had been expended, and at December 31, 1942, there was still \$3,217,634 of unexpended cash in the bond funds for the issues sold a year earlier. In fact, one sewer issue of \$1,037,000 still showed cash of the same amount. Tulsa's experience may be extreme, but it indicates the extent to which capital programs, even in war production centers where priorities for municipal construction are highest, are being curtailed.

Census Bureau Speeds Up Finance Reports

Continuing last year's improvement in currency of publication and scope of content of the Census Bureau's annual series on finances of states (formerly called *Financial Statistics of States*), the first individual state report—Tennessee—on *State Finances: 1942* was released in January 1943. This represents a gain

of eight months in comparison with the September 1942 release date of the first 1941 state report. Reports on the 1942 finances of the remaining forty-seven states will be issued shortly.

Corresponding speed-ups in publication of the Census Bureau's series on finances of cities having populations over 100,000—*City Finances: 1942*—are planned to provide up-to-date information needed in connection with development and administration of war programs and the formulation of postwar policies.

Simultaneously with this speed-up in publication, scope of the data has been greatly increased. Previously, the first financial reports for a given year contained only a few summary totals; details did not appear until a year later. The reports for 1941 and 1942, on the other hand, present detailed financial statistics for each unit of government.

Another major improvement is the modernization of concepts used. For example, statistics of sinking and trust funds are no longer consolidated with those of the general funds, but are set forth separately. Similarly, expenditures made by governments for debt services are now recognized. Separate presentation of enterprise data is not only continued but, wherever available, profit and loss statements and balance sheet items are presented. In the case of city reports, the statistics presented are those that relate to the city corporation rather than those resulting from a consolidation of figures for the city corporation and for some overlying governmental units.

The principal changes made in the 1942 reports are, first, greater emphasis on the functional distribution of expenditures, and, second (in the case of state reports), separation of payments for state aid from direct operation expenditure.

County reporting was inaugurated

last year. Although county data had been collected annually by the Census Bureau since 1907, the county reports for 1940 and 1941 appearing in September and December 1942, respectively, were the first publications of such data.¹

LEWIS B. SIMS

Bureau of the Census

Proportional Representation

Edited by George H. Hallett, Jr.

(This department is successor to the Proportional Representation Review)

Seventh P. R. Election in Norris, Tennessee

TVA Community Chooses Advisory Council

TVA's town of Norris held its seventh PR election on February 1. Since its adoption in 1936, the townspeople of Norris have annually selected a council of nine members by the Hare system of proportional representation. While the council has no actual powers, it serves in an advisory capacity to the town management.

Sixteen candidates, including four members of the outgoing council and two women, qualified for the nine positions to be filled on the town council. A total of 289 ballots were cast, 288 of which were valid. This vote represented less than half the eligible voters of the town. The absence of important issues and the demands on citizen time because of the war undoubtedly reduced participation in the election.

Two candidates received more than enough first choices to be elected. The transfer of their surplus ballots resulted in the election of one more candidate. The elimination of the two lowest rank-

¹See also p. 157.

ing candidates, however, failed to elect any additional members. One candidate was elected on the sixth transfer of votes, one on the eighth, two on the ninth, and two on the tenth and final transfer of votes. More than 90 per cent of the voters helped elect someone for whom they had voted, and seven out of ten saw their first choices elected.

Of the nine candidates elected to membership on the council, eight ranked highest on the first ballot. The other candidate that was elected ranked eleventh in terms of first-choice votes.

Two of the four members of the outgoing council who sought re-election were defeated. Although the new council will retain only two members of the outgoing council, one other member has previously served on the council and several have served on council committees. In addition, the new council will have as a member a person with approximately ten years city manager experience.

The membership of the new council will include six employees of the Tennessee Valley Authority, two housewives, and a representative of a private concern. This council, in addition to acting in an advisory capacity to management, will be concerned with relationships between the community and the school, now under the jurisdiction of the University of Tennessee, and with civilian defense and related problems.

M. H. SATTERFIELD, *Chairman*
Norris Election Commission

Research Bureau Reports Received

Graft

A Letter from a Dean of Public Administration to His Graduates About How to Graft. By Lent D. Upson. Detroit, 1942. 29 pp.

Municipal Reports

Our Home Town, Houma. Baton Rouge, Bureau of Government Research, Louisiana State University, 1942. 36 pp.

Public Utilities

Municipal Electric Utilities in Texas. By Robert H. Gregory. Austin, Bureau of Municipal Research, University of Texas, 1942. 295 pp.

Research

Proceedings, Western Governmental Research Association, Fifth Annual Conference. Berkeley, 1942. 43 pp.

Statistics

Statistical Theory in One Easy Lesson. By Lent D. Upson. Detroit, 1943. 20 pp.

Taxation

Personal Property Taxes in Kansas City and Jackson County. Kansas City, Missouri, Civic Research Institute, 1942. 30 pp.

THE RESEARCHER'S DIGEST

(Continued from Page 144)

Stanford University succeeds Professor Frank Stewart of the University of California at Los Angeles as president of the Association.

Books in Review

Edited by ELSIE S. PARKER

School of the Citizen Soldier. Adapted from the Educational Program of the Second Army, Lieutenant General Ben Lear, Commanding. Lieutenant Colonel Robert A. Griffin, Editor; Lieutenant Colonel Ronald M. Shaw, Assistant Editor. New York City, D. Appleton-Century Company, 1942. xvii, 558 pp. \$2.40.

The jacket of this book announces that the book contains "What every one should know about the United States." The volume came into being for several reasons: one of these was the lack of soldiers' knowledge as to the resources and history of our country, another is the belief expressed in the words of General Lear that with such knowledge a soldier "will work with greater zeal to perfect himself as a soldier."

That such lack has been widespread is not news to anyone engaged in civic work. Teachers of the social sciences have made a systematic search for remedies, one of which was seen to be better teaching methods. Therein lies the excellence of this book: it is not alone the material presented but the method of presentation that makes it outstanding. The pedagogics, the approach, the style, make it so that "readable" is a weak term, it could better be called "rememberable." For instance, in describing the division of prize money after the battle of Waterloo, we are told that the share of the enlisted men "was probably enough to buy them a couple of beers."

A notable chapter is "The United States Since 1918," which comes as close to clear verbal photography as words can. Part IV is a discussion of the Armed Forces of the nation and is as valuable to a citizen who is not a soldier as to one who is.

The war should lead many besides

those in uniform to want to know the sort of thing this book contains—they will find nothing better for the purpose. In the days when ballots again become the sole tools this democracy need use to preserve itself, the impression this school in book form will have left on the minds of our victorious soldiers will be only beneficial, and so long as any American citizen must also be a soldier it will be as valuable to him as actual arms.

WALTER J. MILLARD

Employee Relations in the Public Service. A Report Submitted to the Civil Service Assembly by the Committee on Employee Relations in the Public Service, Gordon R. Clapp, Chairman. Chicago, Civil Service Assembly of the United States and Canada, 1942. xx, 246 pp. \$3.

This is another in the series of studies of various phases of public personnel administration being conducted by committees organized by the Civil Service Assembly. This committee, under the chairmanship of Mr. Gordon Clapp of the TVA, has done an admirable job in its treatment of a difficult subject. The reviewer found the basic principles underlying the problem to be well defined:

Management must devote attention to employee relations, since staff performance is so intimately bound up with the employee's reaction to his work situation. Employee morale has become a necessary concern of department heads and chief executives. A logical approach to the problem takes into account the basic interests motivating employees, which are perhaps best shown by analyzing the objectives which employees have organized to attain.

A matter of great import to administrators is that employee organizations have sometimes sought legislation which acted to restrict effective administration. An underlying cause for this may be the failure of management to consult employees or to deny them expression through their organizations. Conversely, some of the laws essential to good personnel administration would not have been enacted were it not for employee pressure on the legislature.

In dealing with employees at all levels of government, the administration may choose from a variety of basic policies. As one possibility, the management may refuse to negotiate with any organized group and insist upon dealing with employees individually. The administration may also choose to establish an employee representation plan similar in many respects to the "company union." A further alternative is the indiscriminate carrying on of relations with either union representatives or individual employees. Another arrangement is that under which the administration deals with an organization having representatives independent of the service, and finally, under certain specialized conditions, a closed shop agreement may be entered into. The authors state that the method of dealing with organized representatives possesses definite advantages when compared to the policy of denying collective representation. Above all, considered judgment must be exercised in dealing with employee groups.

The field of employee relations has now crystallized to the point where it is looked upon as a function requiring special attention by the personnel agency. This agency may delegate staff to act in an advisory, interpretive, or adjudicative capacity or in any combination of these, but, in the final analysis, this staff can be effective only when it has won the confidence of supervisors

and employees alike. After the policy has been determined, however, the application of this policy and its interpretation in a specific situation is a responsibility of line administration, with opportunity for appeal to the hierarchy and final review by the personnel agency as the representative of the chief executive.

With public employees slowly moving toward unionism, no serious administrator can possibly overlook the problem of employee relationships, for if he does it will necessarily be forced upon his attention. For this reason alone, this volume is worthwhile.

STANLEY KOLLIN

New York State Department
of Civil Service

Additional Books and Pamphlets

Accounting

Fundamentals of Governmental Accounting (Successor to *Introduction to Governmental Accounting*, 1927, 1936). By Lloyd Morey and Robert Phillip Hackett. New York City, John Wiley & Sons, Inc., 1942. xi, 448 pp. \$4.

Assessing

Depreciation of Buildings for Assessment Purposes. By Ronald B. Welch. Chicago, National Association of Assessing Officers, 1943. 66 pp. \$2.

Democracy

Print, Radio, and Film in a Democracy. Ten papers on the administration of mass communications in the public interest, read before the Sixth Annual Institute of the Graduate Library School, University of Chicago. Chicago, The University of Chicago Press, 1942. xiv, 197 pp. \$2.

Education

Planning Schools for Tomorrow. The Issues Involved. By John Guy Fowlkes, with the coöperation of The Committee on Planning for Education of the U. S. Office of Education. Washington, D. C., Superintendent of Documents, 1942. vii, 26 pp. Ten cents.

Fire

The Cocoanut Grove Night Club Fire. (With Suggested Ordinance on Life Safety, etc.) By Robert S. Moulton. Boston, National Fire Protection Association, 1943. 20 pp. 25 cents.

Personnel

Careers in New York State Government. By New York State Department of Civil Service in Coöperation with the Committee of College Deans of the Association of Colleges and Universities of the State of New York. Albany, New York State Department of Civil Service, 1942. 62 pp. Fifteen cents.

The Compensation of Officers and Employees of the State and Local Governments in Nebraska. By Research Department. Lincoln, Nebraska Legislative Council, 1943. 59 pp.

State Retirement Plans for Municipal Employees. A Description of Four Operating Systems. By A. A. Weinberg. Chicago, Municipal Finance Officers Association, 1943. 8 pp. Thirty-five cents.

Planning

Community Planning in Tennessee. A progress report for the fiscal year July 1941 to June 1942. Nashville, Tennessee State Planning Commission, 1942. vi, 80 pp.

Taxation and Finance

Highlighting the Symposium on War-time Problems of State and Local Finance. Edited by Mabel L. Walker. Philadelphia, Tax Institute, University of Pennsylvania, 1943. 14 pp. 25 cents.

The Impact of Federal Taxes. By Roswell Magill. New York City, Columbia University Press, 1943. xi, 218 pp. \$3.

Traffic

Traffic and Parking Study. A Plan for Improvement of Conditions in the Central Business Areas of New York City. New York City, Regional Plan Association, Inc., 1943. xxiii, 166 pp. \$4.50.

War

The Emergency Services of Great Britain. An address by Colonel George Baehr at the Institute of Administrative Responsibility in War, December 11, 1942. New York City, Division of Training, Civil Service Commission, 1942. 14 pp.

Zoning

Flood-Plan Zoning. By Ralph B. Wertheimer. Sacramento, California State Planning Board, 1942. iv, 43 pp.